

Mr. BAKER of California. The correct answer is when Jimmy Carter left there was \$1 trillion worth of national debt and now there are \$4 trillion, but your point is well taken.

Pick the President you like the least. Over the last 26 years we have had how many Presidents? Seven. So I would pick out Jimmy Carter who was playing on the tennis court, and you would pick Ronald Reagan who you say would sleep through all the Cabinet meetings. Then you take Bill Clinton who despite all the rhetoric on cutting the budget is going to add a trillion dollars. Pick the President you want.

Mr. OWENS. What amount of debt was accumulated under each President?

Mr. BAKER of California. Pick the President you want. This Congress for 40 years has had its foot stuck on the accelerator. We appropriate, we spend. Heal thyself.

THE TIME IS NOT RIGHT FOR TAX CUTS

The SPEAKER pro tempore (Mr. BILBRAY). Under a previous order of the House, the gentleman from Pennsylvania [Mr. DOYLE] is recognized for 5 minutes.

Mr. DOYLE. Mr. Speaker, I was born and raised in, and now represent western Pennsylvania and I can tell you that in our region we remember the 1980's very well—we remember the huge tax cuts that were enacted under the guise of stimulating the economy, under the guise of increasing revenues, but the corresponding spending cuts needed to keep the budget under control never took place. What happened? In western Pennsylvania we watched as the Federal budget deficit quadrupled from 1 trillion to over 4 trillion and brought on an economic downturn from which we have not recovered. Now we see that the new Republican majority in Congress wants to do it all again—enact huge tax cuts before we make the necessary cuts in spending. It sounds like the same mistakes made in the 1980's are coming back again in the 1990's.

The Republicans want to enact a bill of massive tax cuts that they claim is designed to help the middle-class. Let it be perfectly clear that this is one Member who believes the best way to help the middle-class, and everyone else for that matter, is to reduce our monstrous Federal debt. Since we are just beginning to make some progress in this area, I do not believe it is the right time for any tax cuts and I am confident that most of the country and the people in my district would agree that we must stay focused on reducing the deficit rather than exacerbating the problem by enacting tax cuts that we cannot afford.

Still, when we actually examine this Republican plan, my opposition to it grows even stronger because there is no question in my mind that these proposed tax cuts will in truth, benefit the

wealthiest Americans at the expense of the middle and lower classes! A Treasury Department study has shown that the wealthiest 1 percent of Americans will derive 20 percent of the benefits under this bill. In fact, over half—51.5 percent—of the tax benefits derived under the Republican proposal will go to benefit families with annual incomes over \$100,000. This is plainly and simply—an outrage.

Adding insult to this injury, the Republicans have made their "tax credit for families with children" nonrefundable. This means only wealthy families will be able to take full advantage of the credit while low and middle-income Americans lose out again. I heard one of my friends on the other side of the aisle say that the Contract With America wanted to make a statement that children have value, but with this provision, a family of three with one child, earning \$15,000 a year would get a \$90 credit, not \$500. A family of five including three children, earning \$22,000 a year would get \$375 not \$1500. I guess under the contract, a child's value is determined by the wealth of his or her parents.

As I said before, I do not believe the time is right for tax cuts of any kind—but for the Republicans to propose a plan designed to help those who need it least while it hurts those who most need help is not only foolhardy—its reprehensible.

I urge my colleagues to oppose this proposal, and I yield back the balance of my time.

PRO-SENIOR TAX PROVISIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mrs. FOWLER] is recognized for 5 minutes.

Mrs. FOWLER. Mr. Speaker, I would like to highlight a number of pro-senior provisions which are contained in the Tax Fairness and Deficit Reduction Act. H.R. 1327 not only reduces the tax burden on American families, it repeals the Clinton tax increase in Social Security, raises the Social Security earnings test limit, and provides tax incentives for the purchase of long-term care insurance.

The failed notion that Government knows best how to spend people's money has given us a Government that is too big, taxes that are too high, and a huge debt to lay at the feet of our children. The American people have subscribed to a new idea of government—that people and not bureaucrats know best how to spend and invest money. They have sent a clear message that they do not want Government policies that over-burden the taxpayer while encouraging dependence on Government support.

These provisions are in line with the philosophy of smaller government and fewer taxes. At the same time, the bill is distinctly pro-senior. First, the bill would repeal the tax increase imposed by President Clinton's tax package of

1993. It would provide needed relief to seniors on fixed incomes, whom the administration labels as "wealthy." Senior citizens with incomes of more than \$34,000 a year are not rich. Seniors face escalating costs for housing, medical care, and prescription drugs and the Clinton tax increase made it even more difficult for many seniors to fend for themselves.

The repeal of this provision is also important because it scales back a very dangerous precedent. The Clinton tax on Social Security actually transferred money away from the Social Security trust fund. Revenue raised from the increased taxation on Social Security benefits is not returned to the Social Security Trust fund. We heard lots of talk from opponents of the balanced budget amendment that Republicans were going to raid Social Security, but ironically, it is President Clinton who has set the standard for raiding the trust fund.

The Tax Fairness and Deficit Reduction Act will also raise the Social Security earnings test limit. The earnings test is a penalty imposed on seniors—our most valuable and experienced resource in the work force—who choose to continue working after they turn 65. Social Security recipients earning more than the current limit of \$11,280, will have \$1 of benefits reduced for every \$3 over the limit. That means that low to middle income seniors will face marginal tax rates of 55.65 percent—when you consider the 15 percent Federal income tax and 7.65 for FICA. That is unfair and discriminatory policy that will end under H.R. 1327.

The current earnings test sends a clear message to seniors: Do not work. It will not pay, which is not the message we should be sending.

Finally, this legislation encourages the purchase of long-term care insurance. Too often, senior citizens who have exhausted their resources or rely solely on Social Security as a primary source of income—perhaps because the earnings test discouraged them from continuing to work—must spend down their resources to become eligible for long-term care under the Medicaid program. There must be a better way, and I believe encouraging the purchase of long-term care insurance will allow more seniors to keep their assets and independence from Government support.

Mr. Speaker, these three provisions will greatly benefit seniors, and at the same time encourage self-reliance. I look forward to having the opportunity to support these changes when we consider H.R. 1327 on the House floor this week.

THE REPUBLICAN TAX CUT IS IRRESPONSIBLE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GENE GREEN] is recognized for 5 minutes.

Mr. GENE GREEN of Texas. Mr. Speaker, the best of America is to stay and fight and the worst is to cut and run. This Republican majority tax cut takes the money and runs. It does not stay and fight the deficit, it does not stay and fight for better education, stay and fight for summer jobs for teenagers, stay and fight for higher educational opportunity or stay and fight for job training for our future.

Tomorrow the Republican majority will bring this massive tax cut to the floor. Everyone wants a tax cut and so do I, but it is irresponsible with the huge deficit that we have. As a business person, I have used capital gains and investment tax credits to help the business that I help manage grow, but until we get our own economic house in order, cuts are irresponsible.

The bill makes the top 2.6 percent of families the winners with over 58 percent of the tax cuts. Corporations would be winners with repeal of the alternative minimum tax, which simply required a corporation to pay something, even if they made a profit.

Who are the people and the issues losing under this bill? Well, of course deficit reduction, because you cannot have a tax reduction without taking \$100 billion out of the effort to reduce the deficit.

Teenage summer jobs. Just two weeks ago we saw the House abolish for this year and next year the teenage summer jobs.

Grade school and college students. We saw \$100 million cut out of Federal funding for Chapter 1 funding education. College students, the reduction in the student loan program, and finally the losers are the taxpayers of America.

The Speaker calls this the crown jewel of the Contract With America. Well, this jewel is cracked. Why should hard-working Americans pay taxes while profitable corporations may pay nothing?

Why should seniors go cold in the winter and endure hot summers when the top 2 percent of Americans will receive the 58 percent of the capital gains cuts?

The Republican majority wish to point to the lack of responsibility in our Federal Government, but is it responsible to have a larger Federal budget deficit in 1999 than under current law? No, it is not.

Mr. Speaker, the first 100 days has been a blitzkrieg of cuts in education funding, summer jobs for teenagers, school lunches, denying legal and tax-paying immigrants assistance.

The contract has several issues which I agreed with and supported: Putting Congress under the laws that it passes, line item veto and unfunded mandates, and all of these issues needed to be addressed.

But the crown jewel will be paid for by cuts in safe schools and financial aid for the college students. Congress must not sell out the future for some of the good times for the wealthiest fami-

lies. The American people are tired of paying taxes, and I am willing to work to have cuts for Americans, but Congress would be irresponsible to explode the budget deficits simply to give tax cuts to a small minority of our Nation.

Mr. Speaker, we all want a tax cut, and their money is best left in their pocket, but it is irresponsible to our children and our grandchildren not to stay and fight for our future.

Mr. BAKER of California. Will the gentleman yield?

Mr. GENE GREEN of Texas. I will be glad to yield, Mr. Speaker.

Mr. BAKER of California. Did you vote for the \$17 billion rescission package and would you vote today to cut \$213 billion from this budget which is this year's deficit?

Mr. GENE GREEN of Texas. I would be more than happy. Last year I voted, in 1993 as we hear, I voted to cut \$250 billion out of the budget that did not have one Republican vote. I did not vote for the rescission because the rescission cut 2,000 jobs in my district of summer jobs programs.

Mr. BAKER of California. The rescission was 8 percent of the deficit.

Mr. GENE GREEN of Texas. On a short term basis, we are going to say, well, let's do not have those 2,000 people in my district or 6,000 in the City of Houston who have a summer job, let's put that money into abolishing the alternative minimum tax for corporations. Let's get our priorities straight.

Mr. BAKER of California. Mr. Speaker, the point I would like to make is you cannot cut your way out of this. You did not vote for the \$17 billion in cuts and you are not likely to vote to \$213 billion.

Mr. GENE GREEN of Texas. I will vote for cuts.

Mr. BAKER of California. You better pray that the tax reduction brings more revenue.

Mr. GENE GREEN of Texas. Reclaiming my time. I like a lot of Democrats will vote for cuts, but let's vote for cuts that do not take the cuts today and penalize those in the future. Let's vote like you said, let's grow out of this deficit, but you do not grow out of it by cutting job training funds, by cutting summer jobs programs. We want those youngsters to be productive citizens so they will pay those taxes 5 and 10 years from now, but if you cut the job training today and you cut their summer jobs, then growing out of this deficit is really a pie in the sky and a pipe dream, just like the 1981 tax cut was to balance the budget.

Mr. BAKER of California. If the gentleman would further yield.

Mr. GENE GREEN of Texas. I will further yield.

Mr. BAKER of California. Let me be honest, I will not vote to cut \$213 billion because it could not be done without hurting all the programs you are talking about. The capital gains tax and the alternative minimum tax will bring us more revenue and allow us to

balance the budget sooner. Thank you for yielding.

Mr. GENE GREEN of Texas. If I believed that rationale, I would be voting for it tomorrow, but obviously I do not.

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BUDGET ITEMS INTERRELATED

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 1995, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes as the designee of the minority leader.

Mr. OWENS. Mr. Speaker, we have heard a lengthy discussion of the tax cut that will be on the floor tomorrow. It is very relevant to the subject that I would like to discuss and that is the coming budget. It is all interwoven. You cannot separate one part from the other. The \$17 billion in rescissions that have been passed by the House already, the tax cut tomorrow, the coming budget that we will deal with in May, all of it is interrelated and very complex.

I wished there was some way to really simplify it so anybody could understand it without all of these lengthy discussions, but the discussion is necessary. The charts and the graphs, all of it is necessary but I think it could be summarized and we could take some guides to lead into an understanding of what is happening.

There are a few basic facts that must be understood from the beginning and I want to start by explaining an interchange, a dialogue that I had with one of the speakers where I said that under Jimmy Carter the deficit was less than \$100 billion and under Ronald Reagan it went up to \$400 billion. I want to correct that. The deficit for one year under Jimmy Carter never exceeded \$100 billion. I think the highest annual deficit that Jimmy Carter had in the budget was \$64 or \$68 billion. Under Ronald Reagan, it soared to an annual deficit of \$400 billion. It all added up to, between the time Jimmy Carter left and the time Ronald Reagan left and the present, a \$3 trillion difference. The deficit when Jimmy Carter left office was \$1 trillion, overall deficit, and it is now \$4 trillion. But the annual amount was as low as \$64 or \$68 billion under Jimmy Carter. It is the highest annual deficit that he ever created. Under Ronald Reagan it went up to more than \$400 billion.

Part of the reason it went up so high under Ronald Reagan was due to the fact that there was a philosophy dubbed by many before he was elected as voodoo economics which said that you could lower taxes, lower taxes but increase revenue. We have heard the same argument here on the floor today. Instead of offering it in a voodoo economic package, he came with higher mathematics and said something about cosines and sines and I guess what simultaneous equations must have shown. He said it was complicated. We